LEYLAND BATHGATE – A COLLAPSE OF POLITICAL WILL

ALEX SALMOND

Introduction

There is a view of current and recent economic events in Scotland which emanates from New St Andrews House and runs something as follows. Oil and electronics are growth areas but virtually every other part of industry, or at least manufacturing industry, is essentially non-viable. The argument continues that this process is inevitable and that nobody is to blame. It is, we are led to understand, the sweep of history, the post-industrial society, and after a period of painful adjustment, employment will revive (at least to some extent) led by the service sector.

Those who consider the above to be a rather clumsy 'straw man' and not a potted but reasonably accurate version of official thinking take one of the many opportunities to consider the economic views of the Conservative MP for Stirling, the man who asks not how many jobs have been lost but how many resources have been saved. It is true that Mr Forsyth differs from his Governmental colleagues in often appearing to regard the decline of manufacturing as a good thing to be encouraged, as opposed to an unfortunate circumstance which cannot be stopped, but essentially the proposition is the same and it's wrong for the same reasons.

Oil and electronics are growth industries and will continue to develop even if expansion is not always at an even rate. However they do not hold the solution to Scottish unemployment. Indeed despite the huge expansion in output, the electronics sector employed rather more people in the early 1970s than it does in the mid 1980s. Nor does the service sector provide a perfect substitute for manufacture, for the very good reason that only a small percentage of services are internationally tradeable. Ultimately we cannot all gather in each others' washing or (more to the point in this context) privatise each others' dustbins.

A degree of scepticism about the ability of UK Governments to improve or manage the economy is understandable. However there should be little doubt about Government's ability to damage it. Scottish manufacturing strength in, say, quality engineering and textiles survived the recession despite not because of Government exchange rate 'policy' in

1979-81. In the service sector the most significant growth potential lies not in areas of newly discovered entrepreneurship but in traditional industries such as finance and tourism. However the industries which have been hit hardest certainly can look to economic policy for the root of their problems. For example the important construction sector has struggled with the disappearance of much of its public sector work not to mention real interest rates kept high enough to sustain sterling at levels which have rendered much of manufacturing uncompetitive.

One sector of the Scottish economy which has contracted into a 'black hole' since 1979 is what can be termed the 'regional aid' economy. This consists of the factories and industries brought to Scotland by the active regional policies of successive governments in the 1960s. In the last five years from Invergordon to Linwood, the pillars of regional policy have fallen one by one, and the question is whether or not this has been a 'natural' economic process, the result of a well-meaning but failed experiment. The case study below of the collapse of the British Leyland factory at Bathgate suggests, rather, that the explanation is not as straightforward, and lies in the realm of policy and politics as well as economics.

Background

The-then British Motor Corporation was sent to Bathgate in 1960 by the Macmillan Government and the plant was in production by October of the following year. The fact that this locational decision was forced on BMC was an irritation that senior management past and present never bothered to hide but, despite this inauspicious beginning, the plant proved to be a considerable success. The vehicles operation of what eventually consolidated into British Leyland was highly profitable throughout the 1960s and 1970s and the Bathgate plant became the centre of operations in Leyland vehicles. From an initial 2,000 the workforce expanded to 6,000 by 1978 and by this time Leyland's Scottish operations at Bathgate and Albion were producing three-quarters of all Leyland trucks over 3½ tonnes and generating an estimated 2 per cent of Scottish Gross Domestic Product. Indeed in 1976 Leyland revealed massive investment plans for the Bathgate factory with the lion's share of a cash injection from the Government going to the Scottish operations and the Bathgate workforce projected to more than double (to 13,000) by the mid 1980s[(1)].

The plans were stillborn, and behind the facade of success, worrying trends were beginning to emerge both for the vehicles division as a whole and for Bathgate in particular. Firstly, there was substantial under-

investment with the profits from the vehicles division effectively siphoned off to support the ailing car division. As a consequence over a period of twelve years up to 1980 Leyland did not release a single completely new truck onto the market. Against increasingly severe competition Leyland's UK market share began to slide as their staple volume models, the Boxer, the Terrier and the EA and FG vans reached the end of their product cycle. From a position of comfortable market leadership, with 30 per cent in 1974, Leyland was overtaken by Ford in 1977 in sales of trucks over 3½ tonnes. By 1980 the market share had declined to just over 17 per cent.

TABLE 1

UK Market for Trucks over 3.5 Tonnes

	Total Volume	Market Share (%)		
		Leyland	Ford	Bedford
1974	58,573	29.4	20.7	19.3
1975	57,274	26.3	25.2	19.4
1976	57,322	23.2	21.7	22.5
1977	61,486	22.8	23.3	18.8
1978	70,448	19.3	23.8	18.3
1979	79,856	17.3	21.4	18.8
1980	61,300	17.3	23.5	16.0

Source: Society of Motor Manufacturers and Traders

To a great extent, the expanding home market for trucks in the late 1970s masked the full complications of this deterioration, but a crisis developed when the UK market contracted sharply from 1979-81. This was followed by problems in the highly profitable overseas markets caused by sterling's rapid appreciation and then a collapse in demand as recession became general rather than specific to the UK.

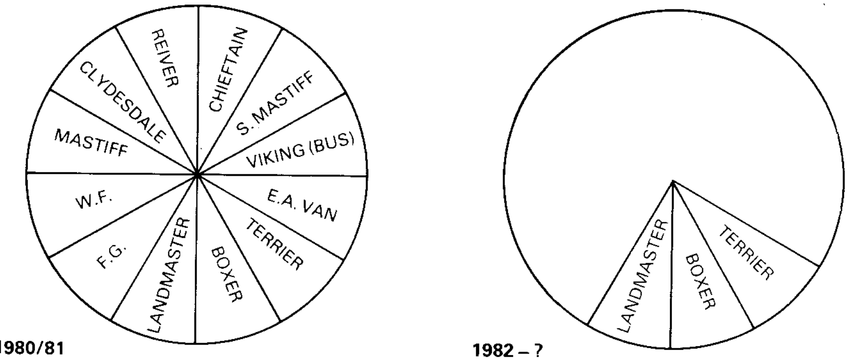
The second cause for concern was the position of the Bathgate factory within the Leyland combine. Indeed the key moment in Bathgate's decline goes as far back as 1978, pre-dating the contraction in the market. For in that year the-then BL Chairman, Michael Edwardes withdrew planned investment from the plant as a "punishment" for an unofficial industrial dispute. It was a decision which Edwardes later was to claim (in his autobiography) received the blessing of the-then Labour Prime Minister but one which had much more to do with general industrial strife in the Leyland Group, and particularly in the car division than any specific problem attached to Bathgate. Bathgate was penalised 'pour encourager les autres' despite a good record in productivity and costs, and a first class one in terms of profitability. In retrospect it is clear that this was the turning point for the factory. Leyland Vehicles began their belated model renewal programme, but the investment was centred not in Bathgate but in a new £32 million assembly hall at Leyland Lancashire. Indeed, of the £2.000 million Government aid to BL since 1978 Leyland Vehicles share has been only £350 million of which Bathgate, the major profit earner of the previous decade, received no long term benefit. Plenty of new models were promised but none delivered. From 1978 onwards Bathgate's varied and successful product range was gradually eroded, transferred or privatised to other plants. In the last five years Leyland's only major investment in Bathgate has been in redundancy money.

The cab operation was first to go. A new cab – code named C40L – was to be produced at Bathgate for the high volume medium weight trucks in the new model range. However in 1980 Leyland's private sector supplier for other cabs in the range, Motor Panels of Coventry, developed severe financial problems and, in order to protect the full range, the production of Bathgate new cabs was sent to Coventry. Bathgate shop stewards claim that this was done despite the management acknowledging that the Bathgate plant could produce the cabs at lower costs than the outside supplier. As compensation for the loss of cab making, which had been a Bathgate responsibility since 1969, the shop stewards were promised a new panel van to replace the popular but ageing, EA and FG bakery and post office vans. There were also assurances that Bathgate would receive the new volume model, the MT 211 replacement[2] for the Bathgate built Terrier and a new engine for both the light trucks and tractors.

However, far from confirming Bathgate as a key factory, the company's 1981/82 restructuring proposals pushed the factory to the margin of Leyland's operations. Lancashire was to assemble all the volume models, including the MT 211, the new tractor developed and launched from Bathgate in record time was privatised to Marshall Sons of Gainsborough, and van production was to be centred at Freight Rover in Birmingham. When shopfloor resistance to the Corporate Plan failed in early 1982 the extent of Bathgate's decline was clear. In the space of three years the plant had been transformed from the key factory in Leyland Vehicles to a peripheral plant whose functions were the production of old models which were being phased out and the supply of components for the new model range. Even before the 1982 Corporate Plan, the leaders of the Bathgate workforce had seen the danger very clearly as the diagram below taken from a shop stewards' paper of 1981 illustrates.

Scottish Government Yearbook 1986

TRUCKS – PRODUCED AT BATHGATE



1980/81 1982 – ?

FIGURE 1

Source: Leyland Vehicles Bathgate Jt Shop Stewards' Committee 1981

After Leyland successfully implemented their plan there was little doubt in the minds of the workforce where events were leading despite the reassuring noises being made by the company and the local MP. The views of the former AUEW Sub-Convener at the factory were typical in 1982.

> "I fear the worst for the Bathgate plant. The trends in Leyland are clearly established. Not only are they moving out of manufacturing into putting a Leyland badge on a mechanic set of bought parts, they are also moving out of Scotland to rationalise in the Midlands. I desperately hope I am wrong but I think we are about stage 990 in the death of a thousand cuts and there are probably only a few more broken promises to go before closure."[3]

Leyland management, of course, did not present things that way. Bathgate, it was claimed, was to be the 'world engine centre' and the base for the specialist export models. The T43 Landtrain was moved North from the doomed Guys plant at Wolverhampton as proof of Bathgate's prominent position in future plans. In the Autumn of 1982, amid a publicity fanfare, the company launched a collaborative agreement with Cummins, whereby Bathgate would produce, under licence, the USA giant's 'world series' engine.

Unfortunately it was already clear in 1982 that being the group's specialist export centre was a dubious privilege; in the short term because Third World markets were moving into steep recession and in the medium term because that market is limited by the understandable desire of developing countries to assemble their own vehicles. In addition while the Cummins engine deal had some attractions for Bathgate it, at best, gave the plant a future not as a volume truck plant employing many thousands but as a component factory producing somebody else's engines with perhaps 1,500 workers.

The rest is fairly recent history. Although Leyland were still issuing public commitments on the plant's future in August 1983[(4)] the countdown towards closure had already started. The Cummins investment was frozen in December of the same year, with only a small fraction of it committed, pending "a review of the company's operations". In May 1984 the Government approved BL's Corporate Plan which included the closure announcement for Bathgate with the revelation that the 'world engine' would be bought from one of Cummins' own plants at Darlington.

The shop stewards attempted to rally the demoralised workforce playing their final card of control of the components for the MT 211, the new volume truck once promised to Bathgate but destined for Lancashire and described by Ron Hancock,[(5)] the-then Chairman of Leyland Vehicles as "as important to Leyland as the Metro was to Austin Rover". However, a combination of the carrot (in the shape of a possible bid from Track Marshall for the existing engine line) and the stick (in the shape of a threat to enhanced redundancy payments) secured a return to work after a few days of factory occupation. The Roadrunner was duly launched in September 1984 and in June 1985, Charles Nickerson of Marshall Sons announced that this bid for the Bathgate engine facility was not, after all, a commercial proposition.

At the time of writing, Leyland, to the workforce's dismay, are set on selling the vast bulk of the plant for retail rather than industrial development. Final closure is scheduled for the Summer of 1986 with a 1,200 workforce producing the old truck range until January 1986 and subsequently reduced numbers continuing with engine production until the Summer.

Analysis

Three explanations have been advanced to explain the decline and fall of the Bathgate factory. The first is the Leyland/Scottish Office version that recession at home and particularly abroad is responsible. The second theory, which is widely accepted among economists, is that the failure of Bathgate is but one more example of the general failure of regional policy in 'grafting' industries into an unreceptive host economy. The third explanation is one which points an accusing finger straight at Leyland management. It asserts that, on any reasonable interpretation of company decisions since 1978, the Bathgate closure is not essentially a short-term reaction to adverse trading conditions but rather the result of a medium-term decision to marginalise the plant.

According to the first theory, then, the markets for Bathgate products simply vanished. The Scottish Office, in particular, favoured a concentration on the collapse of the Nigerian market presumably on the grounds that they could hardly be blamed for Nigerian economic problems. The Secretary of State's first comment on the 1984 crisis set the tone for what was to follow in the way of official comment.

> "No announcement is being made about Leyland Trucks' plant at Bathgate, where I regret to say that, in spite of hard work and co-operation by the labour force in improving productivity, the problems facing the company are particularly severe due to the virtual collapse of the export demand for the products made there."[(6)]

This line of argument has been echoed, parrot-like, in virtually every Government and Leyland statement on the closure and it barely stops short of misrepresentation. Nigerian demand for Bathgate heavy trucks had indeed virtually dried up but that was hardly the cause of the plant's difficulties. In the late 1970s Leyland Bathgate had been exporting its varied truck range to over 70 countries. By 1984 this product range had been effectively reduced to two specialist models, one of which had been produced at Bathgate for little more than a year. It takes a remarkable brand of logic to make a factory an export truck centre in 1982, reduce its model range to a dependence on a limited market and then explain its demise a few months later on the basis that these markets had collapsed!

There is no question however that declines in market size and in market share have dictated many of the decisions made by Leyland Vehicle's management. They claim that the Lancashire plant can cope comfortably with any forseeable demand for their trucks.

> "The basic problem is that we have too much assembly capacity. Bathgate and the Leyland (i.e. Leyland, Lancashire) Assembly Plant could built more trucks than the entire number sold in Britain last year."[7]

Although strongly disputed by the shop stewards the management argument that Lancashire now has the capacity to meet future demand seems credible even if it does reveal the extent to which the company has lowered its ambitions in terms of being a major vehicles manufacturer. On single shift, Lancashire can assemble over 10,000 trucks every half-year and, on double shift, perhaps 20,000. This compares with a total Leyland output of 8,219 in the first six months of 1985, in itself an impressive 37 per cent increase over 1984 levels.

However, in terms of providing the explanation for the Bathgate closure these figures beg the question. The expanded Lancashire facility did not appear from nowhere but opened straight into short time working in June 1980. The real question is – was there a management decision then or before to fill the new Lancashire plant by emptying Bathgate? If so, the final decision to close Bathgate has got little to do with the market demand conditions prevailing in 1983/84 and a great deal to do with prior company strategy as to the geographical location of supply.

The second explanation for the decline of the Bathgate factory is that its inability to withstand the recession is just another indictment of the active regional policy which brought BMC to Scotland in the first place. Given the extent of the failures in the 'showpiece' projects of regional policy it is understandable, if somewhat sloppy, reasoning to assume that the policy itself has failed, that direction of company location decisions builds nothing more than 'cathedrals in the desert'. No doubt there is something in this argument but it would be unwise to assume that the economics of the Invergordon smelter, the Corpach pulp mill, the Linwood car factory, the Ravenscraig integrated steel complex and the Bathgate truck plant are identical or even at all similar.

One common problem all these plants did face was not just economic recession but an effective reversal of regional policy. This is more than just a matter of the major erosion in the value of financial assistance to the company sector although this is, in itself, significant. What it is reasonable to suppose is that the reduction in expenditure reflects a reduction in commitment to regional growth and that this is a factor which will be taken

into account when a nationalised company such as British Leyland considers what proposals in its Corporate Plan are likely to prove acceptable to the Cabinet in terms of public policy.[8]

No doubt the Bathgate factory would have been in a stronger position if there had been established a stronger infrastructure of suppliers at local level and there was a heavy irony in Leyland's attempts in 1982, 20 years after establishing the factory and a year before closing it, to interest local companies in the possibilities of supplying the Bathgate plant. However it is by no means clear that its location was any great disadvantage in 20 years of operation. For the vast majority of this period it was an extremely profitable operation, subsidising other parts of British Leyland but after 1978 receiving little investment. Even over the new Lancashire assembly plant Bathgate had sustained advantages. At peak volumes cab manufacture was the most efficient in the UK while Leyland describe the Bathgate machine shop as "one of the best equipped in Europe".[9] In addition the Bathgate factory was flexible with the capability of running model mixers for 3½ – 32 tonnes. The Lancashire facility, in contrast, is inflexible, designed for large runs and still sends its cabs back and forward to Coventry to be first fitted and then painted. Even the Government do not consistently claim that Bathgate was an unsuitable location.

> "I would like to underline the fact that I do not accept the suggestions made by some hon.members that the decision to close Bathgate demonstrates that the British Motor Corporation should never have come to Scotland ... ... the real story is more complex and the plant has experienced good times as well as bad".[10]

The move from Bathgate was part of Leyland Vehicles' move away from integrated manufacture i.e. having the ability to develop every component in-house. This in turn has been dictated by Leyland's low volumes (in world terms) and the lack of investment which would have made possible independent product development. This point is generally agreed among industry commentators.

> "Generous state funding supports Renault Industrial Vehicle's £500 million investment on developing a family of just four diesel engines but between 1975-83 Leyland Vehicles were allocated £350 million to finance everything – new plant, vehicles, components, research development and so on. In effect this meant that Leyland Vehicles could no longer operate as an integrated operation and had to become more an assembler of bought-in parts".[11]

Bathgate was an integrated operation while the new assembly hall in Lancashire is just that – a point to assemble cabs from Coventry, engines from Darlington, axles from Albion etc. Furthermore Leyland's strategy has been to out-source as much as possible of the meccano kit which now makes us their trucks. However, while these trends in Leyland did work against the Bathgate plant, they do not, of necessity, militate against Bathgate as a location. Indeed it can be argued that emphasis on volume component manufacture implies a trend towards geographical dispersion. Why should Bathgate be any more unsuitable a location for, say, engine manufacture than the Cummins' plant just down the road at Shotts in Lanarkshire? (In addition Volvo's tiny but highly successful plant at Irvine gives the lie to the idea that high volumes are a necessary condition for establishing a truck factory in Scotland). There is in fact little evidence that Bathgate's location was any sort of problem except perhaps in the minds of Leyland senior management. The plant was only a casualty of regional policy in the sense that it is inconceivable that the decision to close Bathgate would have been made at a time of active regional policy.

The third explanation for the Bathgate closure – that it was the result of a management decision to marginalise the plant – is by its nature difficult to establish. It depends not just on events but on an interpretation of the motives of Leyland senior management. However it is a conclusion which has proved difficult to resist not just among the workforce (where it is universally accepted) but even for those who would not normally be predisposed to the argument that Leyland management had emptied a Scottish factory to fill English ones. In the House of Commons debate on the closure Robin Cook MP produced the following remarks.

> "Understandably there is now a considered view in my constituency – and I have great sympathy with the interpretation – that what we are witnessing is the final stage in a long pre-arranged, pre-designed plan to close the Bathgate plant."[12]

It should be said that the local MP for the factory, Tam Dalyell, has never shared this view, refusing to believe even in early 1984 that the plant was in danger and vigorously attacking anyone who suggested the contrary. In May 1984 he acted virtually as a management accomplice in persuading the workforce to abandon their control of the factory and their bargaining power over MT 211 components on the flimsy basis of a preliminary interest from Marshall Sons. Events have since shown that Tam Dalyell's faith in both Leyland management and in Marshall Sons was seriously misplaced. Indeed since the June 85 announcement that Marshalls were no longer interested in taking over Bathgate the entire Marshalls Group has gone into

liquidation. Among the many questions which should be raised about the realism of the supposed Marshall Sons' bid is the issue of how a group with a total turnover of less that £20 million, and no background of engine manufacture, ever could be seriously considered as owners of a complex on the scale of Bathgate. However both Leyland and Tam Dalyell were keen to present it in that light when the Bathgate workforce were occupying the plant. Mr Dalyell's intervention without question was influencial in the workforces narrow decision, against the advice of their shop stewards, to leave the factory and abandon their hold on components for the MT211 with no guarantees as to the future. I do not doubt Mr Dalyell's sincerity but that does not excuse the fact that an M.P. whose Parliamentary carrer extends through the lifespan of the Bathgate factory produced, on this issue, a political performance which would embarrass a Parliamentary novice.[13]

Despite Tam Dalyell's belief that there was no corporate policy to pull out of Bathgate there is strong evidence that it was corporate policy to at least push Bathgate to the margin of Leyland Vehicles' operations.

In the late 1970s Leyland invested £32 million in the new assembly hall in Lancashire, a small investment in motoring industry terms but an extremely large one for Leyland Vehicles. This brought Lancashire capacity on single shift to well over 20,000 and a double shift to around 40,000 trucks a year, more than enough to cope with Leyland output even in the boom year of 1978. Therefore, even allowing for a large dose of optimism about market share and size and making the reasonable assumption that the company intended to run their new plant at near full capacity, we can deduce the following two points as having been part of company strategy.

Firstly, that Leyland Lancashire was to supplant Bathgate as the key truck plant in the group. The series of decisions which saw the model replacements for Bathgate's ageing truck range move to Lancashire were therefore pre-planned and the commitments made to the Bathgate workforce about new models were either the result of management incompetence or deceit.

Secondly, if Bathgate had any future in company planning after the late 1970s, it was as a component factory supplying engines and perhaps cabs to the other plants. It is possible that the privatisation of the cab operation and the final decision to halt the Cummins' engine deal were short-term reactions to crisis situations. However, Bathgate became vulnerable to such situations because of the earlier management decisions.

It was the decision to remove Bathgate from the centre of Leyland Vehicles operation which made rundown inevitable and, in adverse market conditions, closure a possibility.

It could be argued that this interpretation is too kind to the company and that all the assurances given on Bathgate's future were made in bad faith, designed to achieve a smooth transfer of Bathgate components and models to other factories. Certainly in many cases the sequence of events looks extremely suspicious. For example, the final decision to withdraw from the Cummins engine deal is difficult to reconcile with the information contained in Leyland's Corporate Plan.

The deal was signed in September 1982. Bathgate was to produce, under licence the Cummins' 'family one' engine for Leyland Trucks and for export in addition to supplying components for the US market. The following August the-then Leyland Vehicle's Chairman[14] gave a further assurance on the commitment to the joint venture. However in December, after months of rumour, Leyland froze the investment after spending only a fraction of the promised £30 million. Assuming that Mr Hancock was telling the truth in August 1983 this means that Leyland must have reversed their decision to invest at some time in the Autumn of that year presumably while preparing their 1984 Corporate Plan. What had happened between September 1982 and one year later to provoke such a dramatic reversal of policy? The UK market had recovered by 10 per cent and the Leyland share had responded with the hope of further gains to come. Industry forecasters were considerably more hopeful about market prospects in late 1983 than they had been a year before. Most significantly of all, the competitive position of the UK had improved substantially thanks to the depreciation of sterling, an improvement which had not been foreseen by Leyland, who had assumed a sterling trade weighted index of 90 against an outrun of 83 for the year.[15] Under this combination of circumstances it seems inconceivable that Leyland could have revised *downwards* a demand projection over the year from September 1982 and a deal judged viable then should still have been viable in the Autumn of 1983 with market forces moving heavily in its favour.

Two final points make the waters murkier yet. First, in December 1983, Cummins at first denied any knowledge of Leyland's decision to freeze investment in the project although the Bathgate stewards had been concerned about the sluggish progress in the joint venture since the middle of the year. Secondly, when announcing the closure of Bathgate in May 1984, the Leyland Vehicle's Managing Director revealed that "initial discussions show that we can now buy these engines from Cummins cheaper

than we could make them." A company management which signs a joint venture agreement in September 1982 but twenty months later is still at the stage of "initial discussions" with its partner on costings invites serious questions as to its competence or veracity, or both.

Conclusion

The above analysis suggests a number of conclusions. Firstly, the concentration on the export and Nigerian market collapse as an explanation for Bathgate's demise is inadequate. It was a contributory factor to Leyland's global problems but is not in any sense a satisfactory explanation for the Bathgate closure in particular. It provided a fig leaf for the company and the Government to escape responsibility for the closure.

Secondly, the view that Bathgate is just another 'lame duck' of regional policy ignores the successful performance of the plant for most of its lifespan and the continuing success of similar, albeit smaller, engine and vehicle plants in Scotland. Significantly, even the Government has not attempted to argue that Bathgate was unsuitable as a location. There is little evidence that Bathgate's cost structure was inferior to any other location in the Leyland combine.

Thirdly, the closure was certainly the result of company strategy in the sense that the company determined in the late 1970s to replace Bathgate as a key plant in Leyland Vehicles. Whether or not closure was envisaged at that time is open to question, but it was this management decision which made the rundown of the plant inevitable and, in the exceptionally poor trading conditions of the early 1980s, that same decision made closure possible.

It could be argued that this conclusion is less than dramatic. After all in its period of retrenchment, Leyland has closed other plants and would a decision to close Lancashire and concentrate on Bathgate have been any more defensible? In answer there are the obvious replies that, in the late 1970s Bathgate was in possession of the key elements in the existing truck range and therefore the decision to produce the replacement models in Lancashire was at the expense of the Scottish factory. In addition the Scottish Division of Leyland had been one of the chief crutches for the Midland car division in the 1970s. It would have been equitable for the positions to be reversed for a short period in the 1980s. Two more points should be made. Firstly, Leyland Vehicles is part of a public company, albeit one under instructions to return to the private sector. The taxpayer, who has subsidised its operations, and the Bathgate workforce who generated the profits which helped fund the model renewal programme in the car division were entitled to expect a certain standard of propriety in the company's behaviour. This was hardly forthcoming. The workforce were constantly misled on the company's plans for the factory while the public are still being misled on the reasons for closure.

The second and final observation raises the question of public policy BMC came to Scotland as part of an explicit policy operating on the company sector. British Leyland have left Bathgate as part of an implicit policy pursued by a public company and accepted by the Government. The Government has conceded, even boasted, that regional policy is no longer to be pursued on anything like the same scale as previously. The story of Bathgate indicates rather more, namely that conscious managerial and political decisions are being sheltered behind a cloak of market forces and 'natural' economic change. The regional policy gear is not in neutral but in reverse.

Alex Salmond is an economist working in the financial sector.

References

1. The reaction of the-then Chairman of the Bathgate shop stewards committee to this news proved to be prophetic. He said "While this is all music to our ears, we never know what will happen tomorrow. We've heard this all before and it has come to nothing".

2. Launched in September 1984 as the Roadrunner.

3. A Sim, "The Lessons from Leyland" in A Salmond's (ed.), *Scottish Industrial Resistance*, SNP '79 Group Edinburgh 1982, pp.20.

4. R Hancock, then Chairman of Leyland Vehicles reported in *Financial Times, Guardian, Scotsman, Glasgow Herald*, 18 August 1983.

5. Mr Hancock resigned from Leyland Vehicles in December 1984 before Court appearances on charges of insider dealing in shares. He was subsequently found not guilty.

6. Scottish Office News Release January 19, 1984.

7. 'A personal message to all Bathgate employees from Les Wharton, Managing Director' Leyland Trucks, May 1984, pp.2.

8. In the last ten years expenditure on regional aid in Scotland (expressed in 1984/85 prices) has declined from £569 million per annum to £181 million. Under current plans it will decline further (to £100 million) over the next three years.

9. Leyland Vehicles Press Release, September 9 1982.

10. George Younger MP, *Hansard*, Volume 60, No.161, pp.1268.

11. Professor Garel Rhys "Heavy Commercial Vehicles: A Decade of Change", *National Westminster Bank Quarterly Review*, August 1984.

12. Robin Cook MP, *Hansard*, Volume 60, no.161, pp.1292.

13. See *Radical Scotland*, Aug/Sept.1984, pp.7-10, which contains articles both by myself and Mr Dalyell. Mr Dalyell's reasoning that Charles Nickerson of Marshall Sons was a serious bidder because "he is a rich Lincolnshire farmer with engines in his blood having been a Jaguar racing driver" borders on the farcical and would be were it not the fact that the consequences for the Bathgate workforce of their M.P.'s basic lack of competence on industrial matters have been far from amusing. I fear that the hero of the Belgrano is the villain of Bathgate.

14. Ron Hancock, *Financial Times*. 18 August, 1983.

15. 'A Review of BL Performance in 1983' *Corporate Plan*, British Leyland 1984, p.4.